



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

GRAY DAVIS, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

December 20, 2002

MINUTES

PRESENT:

Ms. Annette Porini, Chief Deputy Director, Department of Finance
Mr. Bob Garcia, Chief Financial Officer, Department of Transportation
Mr. Dennis Dunne, Chief Deputy Director, Department of General Services
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Juan Fernandez, Director, Public Finance Division, State Treasurer's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member, Darrell Steinberg
Assembly Member Sally Havice
Senator Betty Karnette
Senator Wesley Chesbro

STAFF PRESENT:

James Tilton, Administrative Secretary, State Public Works Board, Department of Finance
Karen Finn, Assistant Administrative Secretary, State Public Works Board
Jim Lombard, Assistant Administrative Secretary, State Public Works Board
Kathryn Amann, Assistant Administrative Secretary, State Public Works Board
Madelynn McClain, Executive Secretary, State Public Works Board
Genevieve Frederick, Budget Analyst, Department of Finance
Susan Meier, Budget Analyst, Department of Finance
Bryan Cash, Budget Analyst, Department of Finance
Nathan Brady, Budget Analyst, Department of Finance
Jim Martone, Budget Analyst, Department of Finance
Brian Dewey, Budget Analyst, Department of Finance
Stan Hiuga, Budget Analyst, Department of Finance
Deborah Dills, Budget Analyst, Department of Finance

OTHERS PRESENT:

Chris Kooyman, State Treasurer's Office
Anita Nord, State Treasurer's Office
Chris Vance, State Treasurer's Office
Aaron Todd, State Treasurer's Office
Tim Shelley, Senator Karnette's Office

CALL TO ORDER AND ROLL CALL:

Ms. Porini, Chairperson, Chief Deputy Director, Department of Finance at 10:05 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

BOND ISSUES:

Mr. Tilton reported that there was one bond item.

Item #1, Secretary of State, Department of Corrections, Energy Conservation Revenue Bond Projects. This item will authorize the sale of lease revenue bonds and authorize interim financing for the projects identified in Attachment A.

A motion was made by Mr. Dunne, and Seconded by Mr. Garcia to adopt Bond Item #1.

Bond Item #1 was adopted by a 5-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted that there were no Consent Items.

ACTION ITEMS:

Mr. Tilton noted that there were no Action Items.

OTHER BUSINESS:

Mr. Tilton noted that there were no items of other business.

REPORTABLES:

Mr. Tilton indicated there were no reportables.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for Friday, January 10, 2003, at 10:00 am in Room 112.

Having no further business, the meeting was adjourned at 10:10 a.m.

BOND ITEM

BOND ITEM – 1

SECRETARY OF STATE (0890)
DEPARTMENT OF CORRECTIONS (5240)
Energy Conservation Revenue Bond Projects

Authority: Government Code Sections 15814.10 – 15814.25

Adopt a resolution to:

1. Authorize the sale of Energy Conservation Revenue Bonds for the projects identified in Attachment A.
2. Authorize execution of the Energy Service Contracts for the projects identified in Attachment A. Authorization is contingent upon the a) non-eventful passage of the 15-day JLBC notification requirement; b) execution of a Schedule VI certifying energy savings for each contract; and c) receipt of a validity opinion from the participating agencies' counsel.
3. Authorize the use of interim financing, if needed, for the projects identified in Attachment A to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds.
4. Approve the form of indenture as part of the interim finance package, with such insertions, deletions and changes therein as the Administrative Secretary, with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Total Estimated Bond Authorization:

\$14,695,000

APPROVED.

BOND ITEM

STAFF ANALYSIS ITEM – 1

Secretary of State, Department of Corrections
Energy Conservation Revenue Bond Projects

Action Requested

The requested action will authorize the sale of Energy Conservation Revenue Bonds for the projects identified in Attachment A; conditionally authorize execution of the Energy Service Contracts for those same projects; authorize the use of interim financing, if needed, for those projects to be repaid from the Public Buildings Construction Fund from proceeds of the sale of bonds; and approve a form of indenture to be used in the interim financing package.

Scope Description

The specific types of energy conservation projects to be included in the Energy Service Contracts are identified in Attachment A. These projects generally consist of the following:

Lighting and Lighting Controls: Replace T-12 lamps and magnetic ballasts with T-8 lamps or 700 series lamps and electronic ballasts, replace incandescent lamps with compact fluorescent lamps, replace high intensity discharge fixtures with T5 and T8 fluorescents, and install occupancy sensors.

Energy Management Systems: Install programmable Direct Digital Control system to control the run time of the HVAC systems utilizing start/stop capabilities and equipment status.

Variable Speed Drives: Furnish and install Variable Speed Drives on supply fans and provide Variable Speed Drives to the matching return fans; remove vari-cone devices from supply and return fan systems; connect the existing duct mounted static sensors to each variable speed drive and install return air duct sensors; install Variable Frequency Drives on the cooling towers, bypass units and a temperature sensing unit tapped at the reverse osmosis water inlet.

Retrofit Walk-in Refrigerator and Freezer Equipment: Install ExtraEvap at the Central Kitchen and Food Storage Warehouse walk-in units to increase overall efficiency of the existing refrigeration systems.

Water Conservation Measures: Retrofit existing plumbing fixtures in inmate housing with electronic control valves, replace existing 3.5 gallon per flush toilets in staff and visitor areas with new fixtures and valves using only 1.6 gallons per flush. Install solar powered time clocks and control valves to automate the existing manual irrigation systems utilizing potable water.

Cogeneration Systems: Install two 2600 kW refurbished solar turbines with new load-shedding and protective controls.

Funding and Project Cost Verification

The total amount set forth in the Energy Service Contracts is \$14,695,000, with a total project cost of \$12,031,604 for the energy conservation projects. The participating agencies are Department of Corrections and Secretary of State.

The total project cost breakout by participating agency is as follows:

Department of Corrections	\$13,275,000
Secretary of State	\$ 1,420,000

Staff analysis indicates the total estimated annual cost savings produced by these energy projects is \$1,938,142. The annual cost savings is sufficient to repay the requisite proportional share of the revenue bonds and related costs for each year of the payment term.

Project Schedule Summary

The schedules for each project component as prepared by the Department of General Services, Energy Management, are identified in Attachment A. The participating agencies are contractually obligated to take all steps necessary to complete the various energy conservation project components in accordance with the proposed project schedule.

Energy Service Contracts

- The form of the Energy Service Contract to be executed is consistent with the approval given by the Board at its November 9, 2000, meeting and is the most current form of the Energy Service Contract.
- Each Energy Service Contract may contain several different energy conservation projects to be implemented at participating agency facilities. The cost and schedule for the individual project components are detailed in Schedule III of each Energy Service Contract and are summarized in Attachment A.
- Prior to the Board executing the proposed Energy Service Contracts, the following events or activities must occur:
 - Passage of the 15-day notice period to the Joint Legislative Budget Committee.
 - Execution of the Project Savings Certification found in Schedule VI of the Energy Service Contract by the Program Director, Office of Energy Assessments, Department of General Services.
 - Delivery by the participating agency of a signed Energy Service Contract together with an unqualified opinion of its counsel containing the information set forth in Section 2.01(a)-(d) of the Energy Service Contract.

Staff Recommendations: Adopt resolution.

CONSENT ITEM

CONSENT ITEM –

No Consent Items.

ACTION ITEM

ACTION ITEM –

No Action Items.

OTHER BUSINESS

REPORTABLES

Respectfully Approved,

JAMES E. TILTON
Administrative Secretary